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8/11/73  
13/12/73

# THE TORONTO STOCK EXCHANGE

*file*  
Filing Statement No. 1895  
Filed, December 27, 1973.

## BOUNTY EXPLORATION LIMITED

Full corporate name of Company  
Incorporated under Part XI of The Companies Act (Ontario)  
by Letters Patent dated September 29th, 1943

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953  
(Ontario) by Letters Patent dated May 1st, 1957).

## FILING STATEMENT

Reference is made to previous  
Filing Statement No. 1875

(To be filed with respect to any material change in a company's affairs, including among other things,  
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	See Schedule "A" hereto
2. Head office address and any other office address.	Suite 300, 34 Adelaide Street West, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule "B" hereto
4. Share capitalization showing authorized and issued and outstanding capital.	Bounty has an authorized capital of 5,000,000shares without par value of which 2,639,230 shares are issued and outstanding as fully paid and non-assessable.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	There are no bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Pursuant to an agreement dated as of December 5, 1973, Bounty has agreed to sell to Gulfstream by way of private placement, 500,000 fully paid and non assessable shares in the capital of Bounty at the price of 30¢ per share and a further 500,000 fully paid and non-assessable shares in the capital of Bounty at the price of 35¢ per share, to be taken up and paid for by Gulfstream forthwith after the shareholders of Bounty have approved the execution of the Share Purchase Agreement and the Asset Purchase Agreement. Unless the shareholders duly approve such agreements on or before January 15, 1974 or such later date as Gulfstream and Bounty may agree to, the Share Purchase Agreement will be null and void.
	The directors of Bounty on December 5, 1973 granted to Selmer Pederson, Denver, Colorado, Geologist, the General Manager of Bounty, a non-assignable Employees Incentive Stock Option to purchase 131,000 shares of Bounty at the price of 51¢ per share, exercisable for a period of three years expiring December 4, 1976, provided Pederson remains in the employ of Bounty until such option is exercised.

Schedule "A"

This Filing Statement is being filed by Bounty Exploration Limited (Bounty), with The Toronto Stock Exchange with respect to the following material changes in the affairs of Bounty, viz.:-

- (a) the proposed change of the name of Bounty to Gulfstream Resources Canada Limited. The Shareholders of Bounty will be asked at a General Meeting of Shareholders to be held January 14, 1974, to confirm as a Special Resolution the resolution passed by the Directors of Bounty on December 5, 1973 as a Special Resolution, authorizing such change in the name of Bounty;
- (b) the proposed increase in the capital of Bounty to \$7,500,000 by the creation of an additional 2,500,000 shares without par value. The shareholders of Bounty will be asked at the aforesaid General Meeting of Shareholders, to confirm as a Special Resolution the resolution passed by the Directors of Bounty on December 5, 1973 as a Special Resolution, authorizing such increase in the capital of Bounty.
- (c) the proposed purchase by Bounty pursuant to an agreement (Asset Purchase Agreement) made as of November 9, 1973 between Gulfstream Resources Management S.A., 6 Rue de la Corraterie, 1204 Geneva, Switzerland (Gulfstream) and Bounty, pursuant to which Gulfstream will sell to Bounty certain assets for an aggregate purchase price of \$781,000. See copy of the Information Circular of Bounty which is attached to this Filing Statement, dated December 18, 1973, which has been sent to the shareholders of Bounty in connection with a General Meeting of the Shareholders of Bounty for the purpose, inter alia, of approving the execution and delivery of the Asset Purchase Agreement, for full details of the Asset Purchase Agreement;
- (d) the proposed purchase by way of private placement by Gulfstream of 1,000,000 shares of Bounty at the average price of 32½¢ per share or an aggregate net sum of \$325,000. See Item 6 hereof and the said Information Circular of Bounty for further details as to such private placement.
- (e) the granting by the directors of Bounty on December 5, 1973 of an incentive stock option to Selmer Pederson, Geologist, General Manager of Bounty, to purchase 131,000 shares in the capital of Bounty at the price of 51¢ per share, such option to expire December 4, 1976, to be exercisable only while Pederson is in the employ of Bounty and in any event not until June 5, 1974, and not be assignable.

## Schedule "B"

<u>Name and Address</u>	<u>Position Held</u>	<u>Occupation</u>
Adolf H. Lundin, 8C Chemin des Princes, Vesenasz, Switzerland.	President and Director	President, Gulfstream Re- sources Management S.A. since 1972 and prior thereto Assistant Director for External Relations, Centre d'Etudes Industrielles, Geneva, Switzerland.
G. D. Pattison, R. R. #2, Aurora, Ontario.	Secretary- Treasurer	Officer and Director of International Mogul Mines Limited.
John Atkinson, Apartment 1207, 10 Ruddington Drive, Willowdale, Ontario.	Director	President, Allstate Insurance Company.
Edward F. Durkee, Columbine Drive, Evergreen, Colorado	Director	Geologist.
Donald Wentworth Falconer, 4 Cluny Drive, Toronto, Ontario.	Vice-President and Director	Solicitor, Partner in the firm of Holden, Murdoch, Walton, Finlay, Robinson
John G. McDonald, 400 Walmer Road, Toronto, Ontario	Director	Solicitor, Partner in the firm of McDonald & Hayden.
W.R.D. MacLean, 4 Douglas Drive, Toronto, Ontario	Assistant Treasurer	Chartered Accountant
D. A. Humby, 1854 Bickford Rd., Clarkson, Ontario.	Assistant Secretary	Chartered Accountant

On December 5, 1973 the following resigned as directors of  
 Bounty, viz, Douglas J. Rowland, G.D. Pattison, S.K. Bongard and Elsie  
 Falconer, and were replaced as directors of Bounty by John Atkinson,  
 Edward F. Durkee, Donald W. Falconer and John G. McDonald all referred  
 to above.

# FINANCIAL STATEMENTS

BOUNTY EXPLORATION LIMITED

## BALANCE SHEET

October 31, 1973

(with comparative figures at April 30, 1973)  
(unaudited)

	ASSETS	October 31 1973	April 30 1973
<b>CURRENT ASSETS</b>			
Cash	\$ 7,871	\$ 3,579	
Short term deposit and accrued interest thereon	<u>218,137</u>	<u>53,000</u>	
	226,008	56,579	
SHARES OF ANOTHER MINING COMPANY, at cost	888	888	
MINING PROPERTIES, at nominal value (note 1)	<u>2</u>	<u>2</u>	
	<u>\$226,898</u>	<u>\$ 57,469</u>	
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	<u>\$ 1,706</u>	<u>\$ 4,677</u>	
<b>SHAREHOLDERS' EQUITY</b>			
SHARE CAPITAL (note 2)			
Authorized - 5,000,000 shares of no par value			
Issued - 2,639,230 shares (1,639,230 shares April 30, 1973)	580,697	405,697	
DEFICIT	<u>355,505</u>	<u>352,905</u>	
	<u>225,192</u>	<u>52,792</u>	
Approved by the Board <i>Ulfeller</i>	<u>\$226,898</u>	<u>\$ 57,469</u>	
Director			
<i>John Attwells</i>	. Director		

## BOUNTY EXPLORATION LIMITED

## STATEMENT OF DEFICIT

For the six month period ended October 31, 1973  
 (with comparative figures for the year ended April 30, 1973)  
 (unaudited)

	<u>October 31</u> <u>1973</u>	<u>April 30</u> <u>1973</u>
Operating expenses	\$ 7,392	\$ 10,168
Less: Interest earned	<u>4,792</u>	<u>2,713</u>
	2,600	7,455
Balance, beginning of period	<u>352,905</u>	<u>345,450</u>
Balance, end of period	<u>\$355,505</u>	<u>\$352,905</u>

## STATEMENT OF OPERATING EXPENSES

For the six month period ended October 31, 1973  
 (with comparative figures for the year ended April 30, 1973)  
 (unaudited)

	<u>October 31</u> <u>1973</u>	<u>April 30</u> <u>1973</u>
Administration		
Head office services	\$ 1,200	\$ 2,400
Transfer agency fees	1,874	2,451
Professional fees	809	1,150
Shareholders' meetings and reports	1,249	1,963
Directors' fees	1,200	450
Government fees and taxes	10	143
Stock exchange fees	985	300
Sundry	<u>51</u>	<u>72</u>
	<u>7,378</u>	<u>8,929</u>
Exploration		
Rentals and taxes on mining properties	14	224
Prospecting expense	<u>1,015</u>	<u>1,239</u>
	<u>\$ 7,392</u>	<u>\$ 10,168</u>

## BOUNTY EXPLORATIONS LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the six month period ended October 31, 1973  
 (with comparative figures for the year ended April 30, 1973)  
 (unaudited)

October 31, April 30,  
1973 1973

## SOURCE OF FUNDS

Sale of shares	\$175,000	
Interest earned	<u>4,792</u>	\$ 2,713
	179,792	2,713

## APPLICATION OF FUNDS

Operating expenses	<u>7,392</u>	<u>10,168</u>
INCREASE (DECREASE) IN WORKING CAPITAL	172,400	(7,455)
WORKING CAPITAL, BEGINNING OF PERIOD	<u>51,902</u>	<u>59,357</u>
WORKING CAPITAL, END OF PERIOD	<u>\$224,302</u>	<u>\$ 51,902</u>

# BOUNTY EXPLORATION LIMITED

Third Floor — 34 Adelaide Street West  
TORONTO, ONTARIO  
M5H 1L8

## NOTICE OF GENERAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that a General Meeting of the Shareholders of Bounty Exploration Limited (Bounty) will be held on Monday, the 14th day of January, 1974, at the hour of 12:00 o'clock noon (Toronto Time) at Room Number Three, Royal York Hotel, 100 Front Street, Toronto, Ontario, for the following purposes:—

1. To consider and, if thought fit, to confirm the resolution passed as a Special Resolution by the directors on December 5, 1973, amending the Articles of Incorporation of Bounty to change the name of Bounty to Gulfstream Resources Canada Limited.

2. To consider and, if thought fit, to confirm the resolution passed as a Special Resolution by the directors on December 5, 1973, increasing the capital of Bounty to \$7,500,000 by the creation of an additional 2,500,000 shares without par value, provided that the 7,500,000 shares without par value of Bounty shall not be issued for an aggregate consideration exceeding in amount or value the sum of \$6,000,000 or such greater amount as the board of directors of Bounty determines.

3. To consider and, if thought fit, to approve, ratify, sanction and confirm the execution and delivery on behalf of Bounty of a certain agreement (Asset Purchase Agreement) dated December 5, 1973, between Gulfstream Resources Management S.A. of the First Part and Bounty of the Second Part, providing for the purchase by Bounty from Gulfstream of:—

- (i) working interests in 9 certain gas wells located in the Lipan Field, Hood County, Texas;
- (ii) a 12% net revenue interest in a certain agreement dated November 8, 1973 (Wes-Mor Agreement) made between Wes-Mor Drilling, Inc. (Wes-Mor) and Caliph Resources, Inc. (Caliph) pursuant to which Wes-Mor agreed to sell to Caliph a 75% net revenue interest in two certain gas and mineral leases covering 5,364 acres of land in Hood County, Texas; and
- (iii) a 10% interest in a Consortium holding a non-exclusive Prospecting License covering oil and gas in an area lying off-shore the west coast of Ireland,

for an aggregate consideration of \$781,000.

Further details of the Asset Purchase Agreement are set forth in the Information Circular attached hereto and forming part hereof.

4. To consider and, if thought fit, to approve, ratify, sanction and confirm the execution and delivery on behalf of Bounty of a certain agreement (Share Purchase Agreement) dated December 5, 1973 between Gulfstream of the First Part and Bounty of the Second Part, pursuant to which Gulfstream agreed to purchase from Bounty by way of private placement an aggregate of 1,000,000 shares of Bounty at the average price of 32½¢ per share or for an aggregate consideration of \$325,000. Further details of the Share Purchase Agreement are set forth in the Information Circular attached hereto.

5. To transact such other business as may properly come before the Meeting or any adjournment thereof.

Adolf H. Lundin and Edward F. Durkee, the President and a director, respectively, of Bounty, are interested in the Asset Purchase Agreement and the Share Purchase Agreement in that they are officers, directors and shareholders of Gulfstream.

Shareholders who do not intend to be present at the Meeting are requested to complete and return the enclosed form of proxy.

DATED at Toronto, Ontario, this 26th day of December, 1973.

By Order of the Board,

G. D. PATTISON,  
Secretary-Treasurer.

# BOUNTY EXPLORATION LIMITED

## INFORMATION CIRCULAR for GENERAL MEETING OF SHAREHOLDERS to be held January 14, 1974

This Information Circular accompanies the Notice of the General Meeting of the Shareholders of Bounty Exploration Limited (Bounty) to be held January 14, 1974, and is furnished in connection with the solicitation by management of Bounty of proxies for use at said Meeting. The costs of such solicitation will be borne by Bounty. It is planned that the solicitation will be primarily by mail.

A proxy in the form enclosed with the Notice of Meeting (a) confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting; and (b) may be revoked at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a proxy in the form enclosed may be revoked by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of Bounty at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

The shares represented by such proxy will be voted at the Meeting and, where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares, subject to Section 121 of The Business Corporations Act (Ontario), will be voted in accordance with the specification so made. **Where no choice is specified with respect to any matter, the shares so represented will be voted in favour of such matter.**

A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him and on his behalf at the Meeting other than the persons designated in the form of proxy enclosed with the Notice of Meeting. Such right may be exercised by inserting the name of such other person in the blank space provided in such form of proxy or by completing another form of proxy.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are 2,639,230 shares without par value of Bounty outstanding, each of which entitles the registered holder to one vote at any meeting of shareholders.

Only shareholders of record on January 14, 1974, the date of the Meeting, are entitled to vote thereat.

The directors and senior officers of Bounty have been informed that Geneva Partners owns directly or indirectly 1,000,000 shares of Bounty, being approximately 34% of the outstanding shares of Bounty.

### SPECIAL RESOLUTION CHANGING NAME OF COMPANY

The shareholders will be asked to consider and, if thought fit, to confirm the resolution passed as a Special Resolution by the directors of Bounty on December 5, 1973, to amend the Articles of Incorporation of Bounty to change the name of Bounty to Gulfstream Resources Canada Limited.

### INCREASE IN THE CAPITAL OF BOUNTY TO 7,500,000 SHARES WITHOUT PAR VALUE

The Shareholders will be asked to consider and, if thought fit, to confirm, the resolution passed as a Special Resolution by the directors of Bounty on December 5, 1973, increasing the capital of Bounty from 5,000,000 shares without par value to 7,500,000 shares without par value, by the creation of an additional 2,500,000 shares without par value.

attributable to the purchase price of the 10% interest in the Consortium. Only 83,333 shares of Bounty, out of such 166,666 shares will be issued to Gulfstream now and the remaining 83,333 shares of Bounty will be issued to Gulfstream when an exclusive Prospecting License is issued to the Consortium by the Government of Ireland.

The composition of the Consortium after the completion of the purchase by Bounty of its 10% interest therein will be as follows:

Name	Interest
Adanac Mining and Exploration Ltd.	10%
Alberta Eastern Gas	7.5%
Austro International Investment Corp.	10%
Coseka Resources Ltd.	10%
The Hon. Simon A. Fraser	10%
Gulfstream Resources Management S.A.	12.5%
Irish Ventures Ltd.	10%
Mindamar Energy Resources Ltd.	10%
International Mogul Mines Limited	10%
Bounty Exploration Limited	10%

Irish Ventures Ltd. will have a carried interest in the first \$500,000 of expenditures. It will also have an option to obtain an additional 10% working interest in the Consortium prior to the spudding of the first well. If such option is exercised the interest of the other members of the Consortium will be reduced pro rata. The acreage is subject to a 1% overriding royalty in favour of Galway University.

W. A. Roliff, Ph.D., Petroleum Geologist, in a report dated August 27, 1973, summarized that the area of the Continental Shelf on the west coast of Ireland underlain by several thousand feet of probably tertiary and mesozoic sediments is an area of great hydro-carbon significance for the future, and the prospects justify the interest in that area.

The Exploration License permits non-exclusive prospecting for petroleum, including geophysical work and drilling of shallow test wells over all of the designated area for a period of two years. It is anticipated that approximately \$200,000 will be spent on seismic data and for surveys. This work and information will enable the Consortium to better select specific blocks for leasing in areas where geological conditions exist which appear to be locally favourable for the accumulation of hydro-carbons.

#### **SALE BY COMPANY OF 1,000,000 SHARES OF ITS CAPITAL STOCK TO GULFSTREAM**

Pursuant to an agreement (Share Purchase Agreement) dated as of December 5, 1973, Bounty has agreed to sell to Gulfstream by way of private placement, 500,000 fully paid and non-assessable shares in the capital of Bounty at the price of 30¢ per share and a further 500,000 fully paid and non-assessable shares in the capital of Bounty at the price of 35¢ per share, to be taken up and paid for by Gulfstream forthwith after the shareholders of Bounty have approved the execution and delivery of the Share Purchase Agreement and the Asset Purchase Agreement.

The Share Purchase Agreement provides that it is subject to all relevant security laws of the Province of Ontario and the requirements of The Toronto Stock Exchange being satisfied in connection with the purchase of 1,000,000 shares of Bounty by Gulfstream, and also Gulfstream being provided on Closing with an undertaking from Bounty to permit Gulfstream to sell the 1,000,000 shares of Bounty purchased hereunder under any distribution to the public by Bounty of shares of Bounty, at any time within a period of three years from December 5, 1973, without cost to Gulfstream.

#### **CONDITIONS OF ASSET PURCHASE AGREEMENT AND SHARE PURCHASE AGREEMENT**

Both the Asset Purchase Agreement and the Share Purchase Agreement are subject to the shareholders of Bounty duly confirming and approving the execution and delivery of the Asset Purchase Agreement and

**PURCHASE BY BOUNTY FROM GULFSTREAM RESOURCES MANAGEMENT S.A.  
OF CERTAIN INTERESTS IN GAS WELLS, OIL AND GAS LEASES  
AND AN EXPLORATION LICENSE**

Bounty has entered into an agreement (Asset Purchase Agreement) with Gulfstream Resources Management S.A., 6 Rue de la Corraterie, Geneva, Switzerland, (Gulfstream), dated as of December 5, 1973, which provides for the purchase by Bounty from Gulfstream of:—

(i) a working interest varying from 14.0625% to 14.538% in the following 9 certain gas wells (the Gas Wells) located in the Lipan Field, Hood County, Texas, viz.:—

<u>Well</u>	<u>Working Interest</u>
Nichols Oil and Gas Guerry Well No. 1 .....	14.538%
Nichols Oil and Gas Guerry Well No. 2 .....	14.538%
Nichols Oil and Gas Noah Well No. 1 .....	14.0625%
Nichols Oil and Gas Parks Well No. 1 .....	14.538%
Nichols Oil and Gas Guerry Park Clapp Unit Well No. 1 .....	14.538%
Nichols Oil and Gas Parks Well No. 2 .....	14.538%
Nichols Oil and Gas Compton Well No. 1 .....	14.0625%
Nichols Oil and Gas Guerry Well No. 3, and .....	14.538%
Nichols Oil and Gas Reynolds Well No. 1 .....	14.0625%

(ii) a 12% net revenue interest in a certain agreement dated November 8, 1973 (Wes-Mor Agreement) made between Wes-Mor Drilling, Inc. (Wes-Mor) and Caliph Resources, Inc. (Caliph) pursuant to which Wes-Mor sold to Caliph a 75% interest in two certain gas, oil and mineral leases covering approximately 5,364 acres of land in Hood County, Texas, together with a 12% net revenue interest in the said two gas, oil and mineral leases, such 12% interest being hereinafter called the "Wes-Mor Interest" (Gulfstream having acquired a 14.0625% interest in the Wes-Mor Agreement from Caliph); and

(iii) an undivided 10% interest in a Consortium holding a non-exclusive Prospecting License covering oil and gas in an area lying off-shore the west coast of Ireland, granted by the Government of Ireland on February 25, 1973;

for the aggregate purchase price of \$781,000, payable in cash to the extent of \$371,000.20, and the issuance by way of private placement to Gulfstream by Bounty of 1,366,666 shares of Bounty at the price of 30¢ per share, being equivalent to \$409,999.80. Of the sum of \$371,000.20 payable in cash by Bounty to Gulfstream, the sum of \$147,000.20 is the actual cash disbursement incurred by Gulfstream to acquire its interest in and its share of the drilling cost of the Gas Wells, and the sum of \$224,000 is the amount of Gulfstream's actual cash disbursement incurred or to be incurred by Gulfstream to purchase the Wes-Mor Interest.

#### **THE 9 GAS WELLS**

The following is a copy of the Summary Report dated December 15, 1973 prepared by W. A. Roliff, Ph.D., with respect to the present value of the 9 Gas Wells:—

"The present value of the estimated cash flows, discounted at 9% for Gulfstream's share of the net cash flows to be generated by the proven developed resources of the nine Gas Wells after deduction of royalties, operating costs, all outside working interest and the return of moneys expended on drilling prior to September 30, 1973, amounts to \$507,700. The project as developed to date indicates a payout of about 15 months and an average rate of return, over the 25 year period of 40%.

"W. A. ROLIFF"

W. A. Roliff

Fellow, Geological Association  
of Canada

"

December 15, 1973.

Caliph has entered into an agreement with Texas Utilities Fuel Limited (Texas Utilities) for the sale of gas to Texas Utilities from certain gas wells including the 9 Gas Wells for 65.7¢ per MMBTU. Based on energy content, Texas Utilities will pay approximately 75¢ to 78¢ per MCF. Texas Utilities is to purchase on a "take or pay basis" 80% of the delivery capacity of such gas wells commencing November 1, 1973. It is anticipated that the 9 Gas Wells will be "hooked into" the Texas Utilities gathering line system by Texas Utilities prior to February 1, 1974.

It is estimated that the gross income to Bounty from the 9 Gas Wells in 1974 will be in excess of \$100,000.

#### **WES-MOR AGREEMENT**

The two gas, oil and mineral leases in which Caliph acquired a 75% interest pursuant to the Wes-Mor Agreement are known as the "Jack Gregg Lease" and the "Aldenhoven Lease" (together called the "Leases"). The purchase price payable by Caliph for the 75% interest in the Wes-Mor Agreement is \$1,400,000 in cash payable on Closing of the transaction. The sum of \$70,000 was deposited by Caliph in the First National Bank of Graham, Texas, as part of the purchase price prior to November 15, 1973 and is held in escrow pending the Closing, and the balance of the purchase price is due 30 days after Caliph has received abstracts of the titles to the Leases. It is expected that the Closing of the transaction referred to in the Wes-Mor Agreement will be on or before December 31, 1973, if there are no discrepancies or encumbrances to or on the titles to the Leases.

With respect to the 25% interest in the Wes-Mor Agreement not acquired by Caliph, pursuant to the Wes-Mor Agreement, this will be held by Wes-Mor for the purpose of satisfying all royalties or overriding royalties or any other right in the oil, gas and minerals which are on or in the lands covered by the Leases.

The Jack Gregg Lease is dated March 9, 1971 and is from Jack Gregg, et al, as Lessor, to David Oil Corporation, as Lessee, and covers 495.5 acres of land in Hood County, Texas, and has been assigned to Wes-Mor.

The Aldenhoven Lease is dated April 20, 1971 and is from Norma S. A. Hyer, et al, as Lessor, to Wes-Mor, as Lessee, and covers 4,874.41 acres of land in several tracts in Hood County, Texas.

There are four gas wells capable of producing located on the lands which are the subject of the Wes-Mor Agreement and Bounty will have a 12% net revenue interest in such gas wells.

Under the Asset Purchase Agreement Bounty has agreed to pay to Gulfstream the amount of any costs or expenses incurred by Gulfstream with respect to the Wes-Mor Interest in addition to the actual acquisition cost thereof provided such additional expenses do not exceed \$100,000 in the aggregate, and Bounty will pay such additional amount in cash or will give to Gulfstream a Promissory Note bearing interest at the prime rate of the Canadian Imperial Bank of Commerce for the amount of such additional costs.

Gulfstream acquired the Wes-Mor Interest under an arrangement with Mindamar Energy Resources Limited (Mindamar) pursuant to which it has the right to acquire a 25% interest in acquisitions acquired by Mindamar in the U.S.A., at acquisition cost. Caliph is a wholly owned subsidiary of Mindamar.

The following interests in the Wes-Mor Agreement, in the Jack Gregg Lease and in the Aldenhoven Lease are held by Bounty, Caliph, Gulfstream and a subsidiary of International Mogul Mines Limited (Mogul Subsidiary):—

	Interest
Caliph .....	42.1875%
Mogul Subsidiary .....	18.75%
Bounty .....	12.00%
Gulfstream .....	2.0625%

#### **PROSPECTING LICENSE**

The purchase price of the 10% interest in the Consortium holding the non-exclusive Prospecting License has been fixed by Gulfstream at \$50,000. This price has been paid recently by two other companies purchasing a 10% interest in such Consortium. Accordingly, out of the 1,366,666 shares of Bounty to be issued to Gulfstream at the price of 30¢ per share, as part of the aggregate purchase price, 166,666 shares are

the Share Purchase Agreement and The Toronto Stock Exchange accepting for filing a Filing Statement of Bounty relating, inter alia, to the Asset Purchase Agreement and the Share Purchase Agreement, and the other matters referred to herein. Unless the shareholders of Bounty duly confirm and approve the execution and delivery of the Asset Purchase Agreement and the Share Purchase Agreement and The Toronto Stock Exchange accepts for filing such Filing Statement, on or before January 15, 1974, or such later date as Bounty and Gulfstream may agree to, both the Asset Purchase Agreement and the Share Purchase Agreement will be null and void.

The Asset Purchase Agreement is also subject to Gulfstream having good title to the Gas Wells, the Wes-Mor Interest and the 10% interest in the Consortium at the time of Closing of the transaction, and if Gulfstream does not have good title the Asset Purchase Agreement will be null and void at the option of Bounty.

**INSPECTION OF ASSET PURCHASE AGREEMENT,  
THE SHARE PURCHASE AGREEMENT AND REPORTS  
OF W. A. ROLIFF, Ph.D.**

A copy of each of the Asset Purchase Agreement, the Share Purchase Agreement and the Report of W. A. Roliff, Ph.D. dated October 10, 1973 and his Summary Report dated December 15, 1973, with respect to the Gas Wells will be available for inspection at the head office of Bounty, 3rd Floor, 34 Adelaide Street West, Toronto, Ontario, during normal business hours up to the date of the Meeting of Shareholders. A copy of both such Agreements and such Reports has also been filed with The Toronto Stock Exchange.

**INTEREST OF GULFSTREAM IN BOUNTY**

Gulfstream, the vendor of certain property to Bounty as set forth in the Asset Purchase Agreement and the Purchaser of 1,000,000 shares of Bounty pursuant to the Share Purchase Agreement, is the registered holder of 225,000 escrowed shares of Bounty, which are subject to release and transfer only with the written consent of the Board of Directors of Bounty, The Toronto Stock Exchange and the Canadian Stock Exchange. The Toronto Stock Exchange has deemed Gulfstream to be in a position to materially control the affairs of Bounty due to the holding of such escrowed shares and its ability to nominate directors of Bounty through its association with Geneva Partners referred to above. In the event that the transactions referred to in the Asset Purchase Agreement and the Share Purchase Agreement are implemented, Gulfstream will be the holder of approximately 49% of the issued shares of Bounty. Adolf H. Lundin, the President of Bounty is also the President, a director and a shareholder of Gulfstream, and Edward F. Durkee, a director of Bounty is also a Vice-President, a director and a shareholder of Gulfstream.

**EMPLOYEE STOCK OPTION TO GENERAL MANAGER**

On December 5, 1973, Selmer Pederson of Denver, Colorado, geologist, was engaged as General Manager of Bounty and on the same day the directors of Bounty passed a resolution granting Pederson a non-assignable Employee Incentive Stock Option to purchase 131,000 shares of Bounty at the price of 51¢ per share exercisable for a period of three years expiring December 4, 1976, provided Pederson remains in the employ of Bounty until such option is exercised.

**OTHER BUSINESS**

The management of Bounty knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if matters not now known to the management should come before the Meeting, the shares represented by proxy solicited by management will be voted on each such matter in accordance with the best judgment of the nominee voting same.

December 18, 1973.

Printed in Canada

BOUNTY EXPLORATION LIMITED

NOTES TO FINANCIAL STATEMENTS

October 31, 1973

1. Mining Properties:

Bourlamaque Township, Quebec.	\$ 1
Mining Concession covering 156 acres	
Murphy Township, Ontario	
Patented lands held under a Certificate	
of Ownership and covering 161.5 acres	1
	\$ 2
	==

2. Share Capital

During the period October 31, 1973 the Company sold 1,000,000 shares of its capital stock to net the Company \$175,000 cash.

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Gulfstream Resources Management S.A., 6 Rue de la Corraterie, 1204 Geneva, Switzerland (Gulfstream), is the only person having an interest, direct or indirect, in the 1,000,000 shares underwritten by it as referred to in Item 6 hereof. Gulfstream does not contemplate any assignment of such shares.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Gulfstream has agreed to transfer for the sum of \$1, subject to the necessary consents being obtained thereto from the Ontario Securities Commission, 120,000 shares of Bounty to David S. Bongard, of Chalet les Gentiannes, Gstaad, Switzerland, as a "finder" in connection with the sale by Gulfstream to Bounty of the Assets described in Item 1 hereof.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The future development plans of Bounty are to maintain its 12% net revenue interest in the Wes-Mor Agreement and to participate in paying its share of the cost of other future wells drilled on the lands covered by the Wes-Mor Agreement. It is anticipated that Bounty's share of the cost in 1974 to be carried out under the Wes-Mor Agreement will be approximately \$280,000. Bounty will also maintain its 10% interest in the Consortium holding the Exploration License referred to in Item 1 hereof and it is anticipated that its share of the expenses of the Consortium in 1974 will be approximately \$15,000.
10. Brief statement of company's chief development work during past year.	During the past year Bounty maintained its mining properties located in Bourlamaque Township, Quebec and Murphy Township, Ontario, in good standing.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Gulfstream Resources Management S.A., 6 Rue de la Corraterie, 1204 Geneva, Switzerland, is the only vendor of any property or other assets intended to be purchased by Bounty. The consideration for the property and assets to be so purchased is set forth in Item 1 hereof.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Other than David S. Bongard, referred to in Item 8 hereof, Gulfstream Resources Management S.A., 6 Rue de la Corraterie, 1204 Geneva, Switzerland, is the only person receiving a greater than 5% interest in the shares and other consideration being received by Gulfstream from the sale of assets to Bounty by Gulfstream as referred to in Item 1 hereof.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	There are 225,000 shares of the capital stock of Bounty held in escrow by Crown Trust Company, 302 Bay Street, Toronto, Ontario, which are subject to release or transfer within the escrow only with the prior written consent of the Board of Directors of Bounty and The Toronto Stock Exchange and the Canadian Stock Exchange.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Gulfstream Resources Management S.A., 6 Rue de la Corraterie, 1204 Geneva, Switzerland, is the owner of all of the said 225,000 escrowed shares of Bounty.

Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.

Geneva Partners, c/o Finabank, 2 Rue de la Bourse, Geneva, Switzerland	1,000,000 shares
Gulfstream Resources Management S.A., c/o Holden, Murdoch & Co., Suite 2400, 44 King Street West, Toronto, Ontario	225,000 shares
Draper, Dobie & Co. Limited, 25 Adelaide Street West, Toronto, Ontario	137,202 shares
Bongard, Leslie & Co. Limited, 20 King Street West, Toronto, Ontario	124,492 shares
Bouchard & Co. Limited, 1015 Beaver Hall Hill, Suite 203, Montreal, Quebec	58,870 shares

The beneficial owners of the aforesaid shares are not known to the signatories hereto, save and except that the 1,000,000 shares of Bounty registered in the name of Geneva Partners are owned by it and the 225,000 shares of Bounty registered in the name of Gulfstream Resources Management S.A. are owned by it. The said 225,000 shares of Bounty registered in the name of Gulfstream are held in escrow. See Item 13 hereof as to details of the escrow.

Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.

Geneva Partners, 6 Rue de la Corraterie, 1204 Geneva, Switzerland is the owner of 1,000,000 shares in the capital stock of Bounty as referred to in Item 15 hereof, and Gulfstream is the owner of 225,000 escrowed shares of Bounty as referred to in Item 15 hereof. Geneva Partners and Gulfstream are now in a position to materially affect control of Bounty. After the implementation of the transactions referred to in Item 1 hereof Gulfstream will be the owner of 2,591,666 shares of Bounty, being approximately 49% of the issued shares of Bounty and thereafter Gulfstream alone will be in a position to materially affect control of Bounty.

Bounty has been advised that the following persons hold 5% or more interest in Gulfstream:

A. H. Lundin	8C Chemin des Princes, Vesenaz, Geneva.
E. F. Durkee	Evergreen, Colorado, U.S.A. 80439.
A. A. El Dib	1620 Krameria, Denver, Colorado, U.S.A. 80110.
I. R. M. Prinsep	40E Malagnou, 1208 Geneva, Switzerland.
T. De Saint-Phalle	4 Chemin de Conches, 1211 Geneva, Switzerland.
Hon. Simon Fraser	Lovat Estates, Beauly, Inverness, Scotland.

and that the following persons hold a 5% or more interest in Geneva Partners:

Austro-International Investment Corporation S.A. Lausanne, Switzerland.

Item 16 cont'd.

Item 16 cont'd.	Dr. C. Francken Mrs. J. Forbes Mr. Eric Noverraz Mr. D. S. Bongard Mrs. Elsie Falconer	Hazelaan 6, Wassenaar, Holland. Les Arzillieres, 1297, Founex, Vaud, Switzerland. 271 Bis, Route d'Hermance, 1247 Anieres, Geneva, Switzerland Chalet Les Gentianes, Gstaad, Switzerland. 4 Cluny Drive, Toronto 5, Ontario.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.		The assets of Bounty do not include investments in the shares or other securities of other companies, except only 5,000 shares of Ontex Mining Limited having a book value of \$887.50 and a market value of \$350., and 68,000 shares of Cotley Mines Limited having a book value of \$1. and no market value.
18. Brief statement of any lawsuits pending or in process against company or its properties.		There are no lawsuits pending or in process against Bounty or its properties.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.		There are no material contracts entered into by Bounty which are still in effect and which are not disclosed in the foregoing.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.		(a) The shares of Bounty are not presently in the course of distribution to the public; and (b) there are no further relevant material facts with respect to the affairs of Bounty that are not disclosed in the foregoing.

**CERTIFICATE OF THE COMPANY**

DATED December 5, 1973.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

**BOUNTY EXPLORATION LIMITED**  
CORPORATE

D. W. Falconer By: D. W. Falconer SEAL

J. Atkinson And: J. Atkinson Director

**CERTIFICATE OF UNDERWRITER OR OPTIONEE**

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)



